MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2021/2022

DFA5024 – FINANCIAL ACCOUNTING 2

(All Sections / Groups)

8 AUGUST 2022
9.00 a.m. – 12.00 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 7 pages with 4 questions.
2. Write your answers in the answer booklet provided.
3. Answer ALL questions.

QUESTION 1

Given below are the adjusted account balances of Healthy Diet Food Supplier Berhad for the year ended 31 July 2022:

	RM		RM
Cost of Goods Sold	389,566	Sales Discount	1,980
Salaries Expenses	140,000	Accounts Receivable	10,890
Freight Out	5,600	Dividend Revenue	1,564
Machines and Equipment	284,000	Bank	50,419
Salaries Payable	15,400	Utility Expenses	17,400
Retained Earning	113,410	Sales Revenue	774,350
Loan Payable	128,000	Prepaid Insurance	2,680
Sales Return and Allowances	760	Share Capital	150,000
Interest Expenses	4,980	Accounts Payable	12,335
Rent Expenses	24,000	Insurance Expenses	16,080
Investments	124,800	Trademarks and Patents	58,000
Merchandise Inventories	44,673	Motor Vehicles	189,000
Advertising and Promotion Expense	29,305	Accumulated Depreciation - Motor Vehicles	75,600
Accumulated Depreciation - Machines and Equipment	156,200	Other Comprehensive Income	11,678
Depreciation Expenses	47,300	Unearned Revenue	2,896

Required

(a) Prepare multiple-steps Statement of Profit or Loss and Other Comprehensive Income for Healthy Diet Food Supplier Berhad for the year ended 31 July 2022. (11.5 marks)

(b) Prepare the classified Statement of Financial Position for Healthy Diet Food Supplier Berhad as at 31 July 2022 based on the other information stated as follows:

i. 30% of the loan payable is payable within the next 12 months after year end. The remaining is payable in 10 years.

ii. The investment is for long term.

iii. The other comprehensive income was derived from gains from investment unrealised value.

(Note: Show all your workings.)

(13.5 marks)

(Total: 25 marks)

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QUESTION 2

Part A

Mandy is a freelance accountant and hired by Mr. Tan, the business owner, to prepare the accounts for his business, Tasty Noodle House. The company's accounts are closed on 31 March every year. However, Mr. Tan informed Mandy that the accounting records are incomplete for the year 2022 due to a fire incident occurred and destroyed some of the documents and records stored in the storeroom. The documents and records are handed to Mandy and Mandy managed to scrutinise information based on previous and current year accounting records and summarised below:

Accounts	**31 March 2021** **RM**	**31 March 2022** **RM**
Inventories	19,500	18,450
Accounts receivables	22,114	25,679
Repairs payable	-	1,784
Accounts payables	18,445	27,710
Bank overdraft	1,138	-
Cash at bank	-	4,748
Cash in hand	3,120	-
Prepaid rent	6,800	5,400
Computers in NBV (Cost: 2021=RM5,500; 2022=RM8,500)	3,850	6,150
Equipment and Furniture in NBV	13,145	11,560

Based on the source of documents available, Mandy managed to prepare the list of all cash received and payments made up to 31 March 2022 as shown in the schedule below:

Cash receipts	**RM**	**Cash payments**	**RM**
Additional capital	20,000	Cash purchases	8,456
Cash sales	14,520	Rental	21,800
Receipts from debtors	45,475	Repairs of equipment	5,120
		Utilities expenses	3,687
		Payments to suppliers	18,000
		Purchase a computer	3,000
		Deposit cash into bank	9,184
		Drawings	6,000
Total cash receipts	79,995	Total cash payments	75,247

Additional information:

i. All non-current assets are depreciated at 10% using straight line method at the end of the year.
ii. The additional capital is derived from Mr. Tan's personal savings withdrawn from the bank.
iii. An additional laptop was purchased on 1st October 2021 for office use.
iv. The repairs incurred due to fire incidents at the storeroom. No non-current asset was disposed during the year.
v. Mr. Tan took some cash to pay for his personal expenses.

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vi. The bank overdraft was offset with all cash in hand deposited into the bank on 1 April 2021. Since then, all cash sales are kept in a safe and deposited into the bank every end of each month after deducted all cash purchases.
vii. All payments except cash purchases are made by issuing cheques.
viii. A note received from suppliers amounted RM2,450 was due from purchase return and a note issued to debtors due to sales discount amounted RM1,846.

Required

Based on the information provided and assume you are Mandy.

(a) Compute the opening and closing balance for Tan's capital. (5 marks)

(b) Prepare the sales ledger control account and purchase ledger control account in T-account format. (5 marks)

(c) Prepare the Statement of Profit or Loss for the year ended 31 March 2022. *(Note: Show all your workings.)* (11.5 marks)

Part B

Fadrus was elected as the treasurer for the Malay Culture Club at his school and was in charged in keeping all the records of the member's subscription fee received for the year ended on 31 December 2021. Listed are the details of the subscription fees received and subscription account balances:

Details on the subscription fee	**RM**
Subscription fee received for year:	
- 2020 and before	2,200
- 2021	?
Subscription accounts balance as at 31 December 2020:	
- In arrears	3,000
- In advance	800

As of 1 January 2021, Malay Culture Club has 230 members and each member requires to pay RM200 per year as subscription fee. In the month of January 2021, the club accepts 25 new members into the club and 5 existing members withdrawn as at 31 December 2021. All the new and withdrawn members already paid their subscription fee and no amount outstanding was due. As at 31 December 2021, Fadrus summarised his findings:

	Number of members
Members who still owes subscription fee for year 2021 and before	12

Required

Prepare the subscription account ledger for Malay Culture Club in T-account format for the year ended on 31 December 2021. *(Note: Ignore the date column and show your workings.)* (3.5 marks)

(Total: 25 marks)

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QUESTION 3

Part A

Nivo Grocery Wholesales Berhad faced financial difficulties in operating its business and decided to dispose a few debtors with outstanding amount above RM50,000 in year 2022. The company's accounting period was from 1 June 2021 to 31 May 2022 every year and the disposals of the account receivable are described below:

Date	Events of account receivables disposal incurred
2021 Aug 1	Received cheque due to disposal of one of its debtors, TY Grocers Trading with outstanding amount of RM72,000 to Grand Factor Company with 2% service charge.
Nov 30	Received a promissory note from Cheong Shipment Company for RM60,000, two-months, 10%. Cheong Shipment Company was requested to settle its outstanding balance.
2022 Feb 1	Received cheque from Cheong Shipment Company for the full settlement of the note plus interest.
March 5	Received cheque due to disposal of one of its debtors, GF Grocery Shop with outstanding amount of RM52,600 to a factor company with 1.5% service charge.
March 31	Received a promissory note from AHB Bank for RM120,000, two-months, 8% in exchange for the settlement of one of the company's debtors, Trevon Holdings Berhad.
May 31	AHB Bank credited RM120,000 as note receivable settlement and the interest are expected to be credited into the company's bank account at the beginning of next month.

Required

(a) Compute the total service charge expenses due to factoring up to 31 May 2022. (1.5 marks)

(b) Journalise all entries based on all of the event incurred up to 31 May 2022. (9 marks)

Part B

Given below is the summarised aging report for accounts receivable for Care U Pharmacy for the year ended 30 June 2022.

	Total (RM)	Numbers of Days Outstanding			
		0-30	31-60	61-90	90 onwards
Account receivables	RM853,400	RM153,400	RM320,000	RM206,450	RM173,550
Estimated uncollectible (%)		1	3	6	8

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Required

(a) Based on the summarised aging report, compute the total estimated allowances bad accounts for the year 2022. *(Note: Show workings)* (2.5 marks)

(b) Prepare the adjusting entries if the unadjusted balance for allowance for doubtful account was RM35,875 and total debts written off was RM1,876 in year 2022. (2 marks)

(c) Post the journal entries in (ii) into the Allowance for Doubtful Accounts ledger, using in T-account format. (2 marks)

Part C

Hasni works as the accounts clerk for Exotic Fruits Wholesales Berhad. She is in charged in compiling and updating all documents related to the company's transactions before reports her work to the company's accountant. The company's accounting period is from 1 May 2021 until 30 April 2022. Hasni has summarised the following transactions related to the company's fixed and intangible assets during the current year.

No.	Situations relate to the fixed assets and intangible assets
I.	The company owned an old truck costed RM87,000 that has 10 years useful life and was depreciated at 10% per annum using straight line method. The old truck has been used for business for 9 years and has no salvage value. The Director of Exotic Fruits Wholesales Berhad decided to trade in and replaced with a new truck. The new truck was purchased on 1 April 2022 at the purchase price RM98,000. Besides that, the company paid road tax RM250, insurance RM3,200 and registration fee RM150 for new truck. The accumulated depreciation for the old truck was 78,300 at 1 May 2021. The trade in price of the old truck was RM3,600. The company applied 2-years term loan amount RM90,000 to finance the purchase and the remaining balances with cash.
II.	On 1 January 2022, the company purchased a patent on a new biotech enhance for citrus fruit from the National Lab Research at RM57,600. This patent enables the company to plant degenerated citrus fruit approved by the National Lab Research at its farms. The company can use the patent for 6 years from the date of purchase.

Required

Based on your understanding and details provided, compute:

(a) the cost of new truck purchased on 1 April 2022 as described in **Situation 1**. (2.5 marks)

(b) gain or loss on disposal of the old truck as described in **Situation I**. *(Show workings)* (3.5 marks)

(c) amortisation of company's patent as described in **Situation II** and journalise the entries. (2 marks)

(Total: 25 marks)

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QUESTION 4

Given are the accounts balances for Yee Hin Sportwear Berhad for the two quarters of the year 2022:

Accounts	Balance as at 31 March 2022 RM	Balance as at 30 June 2022 RM
Share Capital	120,000	120,000
Retained Earnings	113,178	130,396
Property, Plant and Equipment (at cost)	312,000	247,200
Accumulated Depreciation – Property, Plant and Equipment	187,200	143,880
Accounts Receivables (net)	67,950	82,345
Merchandise Inventories	18,712	17,560
Cash	33,098	28,006
Prepaid Insurance	2,400	1,960
Note Payable	35,450	19,850
Accounts Payables	40,023	27,149
Income Tax Payable	434	869
Long Term Investments	60,780	63,560
Dividend receivables	1,345	1,513

The Statement of Profit or Loss for the second quarter is as shown below:

Yee Hin Sportwear Berhad
Statement of Profit or Loss for the second quarter ended 30 June 2022

	RM	RM
Net Sales Revenue	234,795	
Add: Dividend income	4,013	238,808
Less: Costs of Goods Sold	131,675	
Operating Expenses	87,050	
Loss on Disposal of Property, Plant and Equipment	324	
Interest Expenses	1,672	
Income Tax Expense	869	221,590
Net Income After Income Tax		17,218

Additional information:

i. The accounts receivables are valued at net realisable value. The allowances for doubtful accounts balance remained at RM5,480 for the whole quarter year and there are no bad debts written.

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ii. Several property, plant and equipment were disposed at total costs of RM64,800 due to two stores closed. The disposal incurred at the end of 30 June 2022 and the assets are depreciated at 10% per annum at straight line method. The accumulated of the deprecation for property, plant and equipment disposed was RM49,500 at 31 December 2021.

iii. The dividend income is derived from the long-term share investments. Some of the dividends are expected to receive after the end of second quarter of the year.

iv. The total accounts payables are solely due to purchases of merchandise goods.

v. The company purchased additional investment on shares and there is no disposal on the remaining shares invested.

vi. The operating expenses includes depreciation on property, plant and equipment charged for the second quarter year. The fixed assets are depreciated at 10% per annum.

Required

(a) Prepare Statement of Cash Flows for the second quarter year using the indirect method. *(Note: Show all your workings.)*

(15 marks)

(b) Prepare cash flow from the operating activities section of the Statement of Cash Flows for the second quarter year using the direct method. *(Note: Show all your workings.)*

(10 marks)

(Total: 25 marks)

End of Paper